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January 27, 2017

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket No. UE 316
Recovery of Costs Associated with North Valmy Power Plant

Attention Filing Center

Idaho Power requests that the enclosed Errata – page 5 of Idaho Power Company’s (“Idaho Power” or “Company”) Application for Recovery of Costs Associated with North Valmy Power Plant be substituted for page 5 of the Company’s original Application filed November 2, 2016.

The Application contains an error on page 5, lines 4 through 7, in the reference to the average price Idaho Power received for off-system sales in 2011, 2015, and year-to-date 2016. This is the same error that was corrected in the Direct Testimony of Tom Harvey on December 23, 2016. The change has no impact on the economic analyses performed regarding the operating life of Valmy or the conclusions presented by Idaho Power in its original filing.

If you have any questions regarding the corrected page or this matter, please do not hesitate to contact me.

Very truly yours,


Wendy McIndoo
Office Manager

Enclosures

ERRATA PAGE 5 – REDLINED VERSION

**IN THE MATTER OF THE APPLICATION OF IDAHO POWER
COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR
ELECTRIC SERVICE TO RECOVER COSTS ASSOCIATED
WITH THE NORTH VALMY POWER PLANT**

1 dates and determine if a date could be established to cease coal-fired operations.¹ This filing
2 will synchronize depreciation rates between the two companies.

3 Significant changes in Valmy operations have occurred between 2010 and 2014. In
4 2011, the average price Idaho Power received for off-system sales was ~~\$22.74~~24.56 per MW
5 compared to 2015 when the average price Idaho Power received for off-system sales was
6 only ~~\$41.82~~19.57 per MW. Moreover, year-to-date 2016, Idaho Power's average price for
7 off-system sales is only ~~\$8.76~~15.77 per MW. In addition to reducing off-system sales, the
8 significant decrease in market prices has resulted in a decrease in the number of hours Valmy
9 operates economically, as the dispatch cost is now typically higher than the market price.
10 Rather than a resource used to generate off-system sales, Idaho Power has been relying on
11 Valmy to meet the Company's peak energy needs, preserving the balanced portfolio needed
12 to reliably serve Idaho Power customers during all types of system conditions.

13 As shown in the preferred portfolio of Idaho Power's 2015 IRP, the economics of
14 Valmy's operation are impacted in the long term as new resources such as B2H or other
15 operating facilities are available to maintain the balanced portfolio required to serve load
16 reliably. Idaho Power relies on Valmy to meet peak energy needs and to preserve the
17 balanced portfolio needed to reliably serve customers during all types of system conditions.
18 When extreme cold weather or extreme hot temperatures occur in the West, Valmy is
19 providing reliable energy and capacity to serve customers. Idaho Power will continue to rely
20 on Valmy during similar circumstances in the future as load increases in the Company's
21 service territory and until the addition of new resources are available during peak hours or
22 can provide additional transmission capacity.

23 In 2016, Idaho Power assessed continued use of the 2025 end-of-life assumption for
24 Valmy using an updated evaluation of the present value revenue requirement of operating
25

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¹ *In the Matter of Idaho Power Company's 2015 Integrated Resource Plan*, Docket No. LC 63, Order No. 16-160 Appx. B at 1 (Apr. 28, 2016).

ERRATA PAGE 5 – CLEAN VERSION

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COMPANY FOR AUTHORITY TO INCREASE ITS RATES FOR
ELECTRIC SERVICE TO RECOVER COSTS ASSOCIATED
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7 system sales is only \$15.77 per MW. In addition to reducing off-system sales, the significant
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